

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The Dayton Power and Light Company for Approval of its Market Rate Offer.)	Case No. 12-426-EL-SSO
In the Matter of the Application of The Dayton Power and Light Company for Approval of Revised Tariffs.)	Case No. 12-427-EL-ATA
In the Matter of the Application of The Dayton Power and Light Company for Approval of Certain Accounting Authority.)	Case No. 12-428-EL-AAM
In the Matter of the Application of The Dayton Power and Light Company for Waiver of Certain Commission Rules.)	Case No. 12-429-EL-WVR
In the Matter of the Application of The Dayton Power and Light Company to Establish Tariff Riders.)	Case No. 12-672-EL-RDR

(PUBLIC VERSION)

**DIRECT TESTIMONY
OF
GREGORY SLONE**

**ON BEHALF OF THE
OFFICE OF THE OHIO CONSUMERS' COUNSEL**
*10 West Broad St., 18th Floor
Columbus, OH 43215-3485
(614) 466-8574*

March 1, 2013

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ATTACHMENTS

GS-1	DP&L Response to OCC Interrogatory 335 (b)
GS-2	DP&L Response to OCC Interrogatory 377
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GS-5	DP&L Response to OCC Interrogatory 378

I. INTRODUCTION

Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION.

A1. My name is Gregory Slone. My business address is 10 West Broad Street, Suite 1800, Columbus, Ohio 43215-3485. I am employed by the Office of the Ohio Consumers' Counsel ("OCC" or "Consumers' Counsel") as a Senior Energy Analyst.

Q2. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE?

A2. I joined the OCC in May 2010 as a Senior Energy Analyst. Prior to joining the OCC, I served as vice president of generation services for American Municipal Power, Inc. ("AMP"), where I was responsible for the daily operations of AMP's electric generating plants, which included negotiating all the commodity contracts for purchasing and selling coal, natural gas and emission allowances. I also developed and directed AMP's natural gas and electric aggregation consulting business. As General Manager of the aggregation business, I negotiated consulting services contracts with more than forty municipalities throughout Ohio. These services included negotiating the price, terms and conditions for gas and electric supply with the retail gas and electric service providers.

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PUCO Case No. 12-426-EL-SSO, et al.*

1 Prior to AMP, I worked for many years for Columbia Gas of Ohio, Inc.
2 (“Columbia”), serving in a number of sales and marketing positions, including
3 director of sales for Columbia. During my employment at Columbia, I was
4 responsible for interfacing with customers and retail natural gas marketers on
5 issues related to gas costs, gas supply, and rates. In addition, I negotiated special
6 contracts with major industrial accounts in response to competitive market issues.

7
8 I received my bachelor’s degree in civil engineering from The Ohio State
9 University in 1977, and was certified as a chartered industrial gas consultant by
10 the Gas Technology Institute in Chicago, Illinois in 1984.

11
12 ***Q3. WHAT ARE YOUR RESPONSIBILITIES AS A SENIOR ENERGY***
13 ***ANALYST?***

14 ***A3.*** My duties include research, investigation and analysis of electric and natural gas
15 utility filings at the state and federal levels, participation in special projects, and
16 assistance in policy development and implementation. Specifically, I provide
17 policy and technical analysis on both natural gas and electric utility filings with
18 the Public Utilities Commission of Ohio (“PUCO” or “the Commission”),
19 including Electric Standard Service Offers, Gas Cost Recovery Audits, Fuel
20 Adjustment Clause Audits, Long Term Forecast Reports, Infrastructure
21 Replacement Programs and Rate Cases.

1 **Q4. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY OR TESTIFIED**
2 **BEFORE THIS COMMISSION?**

3 **A4.** Yes, I have submitted testimony and testified in connection with two Purchased
4 Gas Adjustment cases, *In the Matter of Northeast Ohio's and Orwell's Purchased*
5 *Gas Adjustment Clauses*, Case No. 10-209-GA-GCR and Case No. 10-212-GA-
6 GCR. In addition, I submitted testimony and testified in Columbia Gas of Ohio's
7 application to implement a wholesale auction, *In the Matter of the Application of*
8 *Columbia Gas of Ohio, Inc. for Approval of a General Exemption of Certain*
9 *Natural Gas Commodity Sales Services or Ancillary Services*, Case No. 08-1344-
10 GA-EXM. I also submitted testimony, but did not testify, in PUCO Case No.11-
11 5730-EL-FAC, *In the Matter of the Application of The Dayton Power and Light*
12 *Company to Establish a Fuel Rider*.

13
14 **Q5. WHAT DOCUMENTS HAVE YOU REVIEWED IN THE PREPARATION OF**
15 **YOUR TESTIMONY?**

16 **A5.** I have reviewed relevant portions of the October 5, 2012 Application of the
17 Dayton Power and Light Company ("DP&L" or "Utility") for Approval of an
18 Electric Security Plan ("ESP Application"), the Second Revised Application of
19 DP&L for Approval of an Electric Security Plan ("Second Revised Application"),
20 the testimonies of DP&L witnesses, and DP&L's responses to certain discovery
21 and requests by the PUCO Staff in this case. I reviewed the Application of DP&L
22 to Establish a Fuel Rider, Case No. 09-1012-EL-UNC, and the 2010
23 Management/Performance and Financial Audits of the Fuel and Purchased Power

1 Rider of DP&L from Case No. 09-1012-EL-FAC (“the 2010 Audit”). In addition
2 I reviewed certain relevant sections of the Application and the Stipulation and
3 Recommendation regarding DP&L’s first ESP.¹
4

5 **II. PURPOSE OF TESTIMONY**
6

7 ***Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?***

8 ***A6.*** The purpose of my testimony in this proceeding is to address certain issues related
9 to the Fuel Rider² component of DP&L’s proposed Standard Service Offer
10 (“SSO”). I will: 1) evaluate DP&L’s proposed change from (a) the current least
11 cost methodology to (b) a system average cost methodology, and 2) recommend
12 that the Commission approve the methodology which produces the least cost fuel
13 and purchased power for customers. Specifically, I recommend a modified
14 version of DP&L’s current least cost fuel and purchased power methodology for
15 calculating the Fuel Rider be approved, rather than utilizing the system average
16 cost methodology as proposed by DP&L.
17

¹ See *In the Application of DP&L for Approval of Its Electric Security Plan*, PUCO Case No. 08-1094-EL-SSO.

² DP&L proposes a bypassable Fuel Rider to collect from customers the costs of fuel, purchased power and emission allowances. (Second Revised Testimony of Teresa F. Marrinan at 3.)

III. DP&L'S CALCULATION OF THE EXISTING LEAST COST

FUEL AND PURCHASE POWER RIDER

Q7. WHAT IS THE ORIGIN OF DP&L'S EXISTING FUEL AND PURCHASED POWER RIDER?

A7. In DP&L's first ESP proceeding, Case No. 08-1094-EL-SSO, a stipulation was reached and approved by the PUCO, which resolved all issues in that case ("08-1094 Stipulation"). Under the 08-1094 Stipulation, a bypassable fuel recovery rider was to be implemented.³ Among other items, that rider was to be implemented to collect retail fuel and purchased power costs, "based on least cost fuel and purchased power being allocated to retail customers."⁴ The 08-1094 Stipulation set forth the formula for the rider whereby jurisdictional emission allowance proceeds and twenty-five percent of jurisdictional coal sales gains would be netted against the fuel and purchased power costs. The PUCO approved the 08-1094 Stipulation on June 24, 2009, which extended DP&L's rate plan through December 31, 2012.

³ *In the Matter of the Dayton Power and Light Company For Approval of Its Electric Security Plan*, Case No. 08-1094-EL-SSO, Stipulation and Recommendation (February 24, 2009) at 3.

⁴ *Id.*

1 On October 30, 2009, DP&L submitted an application to implement the
2 bypassable Fuel Rider, which was docketed as Case No. 09-1012-EL-UNC.
3 Rates were effective January 1, 2010.⁵
4

5 ***Q8. WHAT IS DP&L'S LEAST COST METHODOLOGY CURRENTLY USED TO***
6 ***CALCULATE THE FUEL RIDER?***

7 ***A8.*** DP&L's existing Fuel Rider is based on a stacked cost principle, where DP&L's
8 generation and purchased power costs are stacked from lowest to highest cost,
9 with the lowest fuel and purchased power cost for the power supply needed to
10 serve the retail load included in the Fuel Rider rate. The retail load for purposes
11 of calculating the Fuel Rider is made up of existing DP&L SSO customer load
12 and DPL Energy Resources⁶ ("DPLER") customer load. However, the Fuel Rider
13 rate is only charged to SSO customers. The Fuel Rider rate does not apply to
14 DP&L sales to DPLER. The effective fuel rate is calculated by dividing the total
15 costs allocated to retail customers (See DP&L response to OCC Interrogatory 335
16 (b), Attachment GS-1) by the retail load (load for SSO and DPLER customers).
17

⁵ *Application of the Dayton Power and Light Company to Establish a Fuel Rider*, Case No. 09-1012-EL-UNC.

⁶ DPLER is a subsidiary of DPL Inc. which sells competitive electric energy services. (Second Revised Testimony of William J. Chambers at 29.)

1 ***Q9. ARE FUEL AND EMISSION COSTS, WHICH ARE INCURRED BY DP&L***
2 ***WHEN GENERATING ELECTRICITY TO BE SOLD INTO THE***
3 ***WHOLESALE MARKET, INCLUDED IN THE CALCULATION OF THE***
4 ***EXISTING FUEL RIDER?***

5 ***A9.*** No. Under DP&L's current stacking methodology, the costs associated with
6 providing electricity to the wholesale market are DP&L's highest costs to generate
7 electricity, and are not included in the calculation of the existing Fuel Rider (See
8 DP&L response to OCC Interrogatory 377, Attachment GS-2).

10 ***Q10. HAS THE EXISTING METHODOLOGY FOR CALCULATING THE FUEL***
11 ***RIDER PROVIDED THE LEAST COST FUEL AND PURCHASED POWER***
12 ***COST FOR RETAIL CUSTOMERS?***

13 ***A10.*** Yes. In response to OCC INT-336(a), DP&L answered that the existing
14 methodology has provided the least cost fuel and purchased power for retail
15 customers. (See DP&L response to OCC Interrogatory 336 (a), Attachment GS-3).

17 **IV. DP&L'S CALCULATION OF THE PROPOSED SYSTEM AVERAGE**
18 **COST RATE**

20 ***Q11. HOW WOULD THE FUEL RIDER BE CALCULATED UNDER DP&L'S***
21 ***PROPOSED SYSTEM AVERAGE COST METHODOLOGY?***

22 ***A11.*** To calculate the Fuel Rider using the proposed System Average Cost method, all
23 the costs associated with providing the total megawatt-hours (MWh) of electricity

1 for DP&L's energy supply system during the applicable period (e.g. monthly,
2 quarterly or annually) would be totaled. These costs are then divided by the total
3 MWh of electricity from the DP&L energy supply system for that same period.⁷
4

5 ***Q12. DOES THE PROPOSED SYSTEM AVERAGE COST METHOD INCLUDE***
6 ***THE COST OF FUEL AND EMISSION ALLOWANCES DP&L NEEDS TO***
7 ***GENERATE ELECTRICITY SOLD INTO THE WHOLESALE MARKET?***

8 ***A12.*** Yes. The system average cost method includes all the fuel and emission
9 allowances necessary for DP&L to generate electricity to both retail and
10 wholesale customers. (See DP&L response to OCC Interrogatory 335 (c),
11 Attachment GS-4.)
12

13 ***Q13. DOES DP&L'S PROPOSED SYSTEM AVERAGE COST METHODOLOGY***
14 ***PROVIDE RETAIL CUSTOMERS WITH A FUEL RIDER RATE THAT IS***
15 ***LOWER THAN THE FUEL RIDER RATE CALCULATED USING THE***
16 ***LEAST COST METHODOLOGY?***

17 ***A13.***

[REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]⁸

⁷ Second Revised Testimony of Teresa F. Marrinan at 5.

⁸ CONFIDENTIAL DP&L response to PUCO Staff Data Request Set 5.

**V. EVALUATION OF THE LEAST COST AND THE PROPOSED SYSTEM
AVERAGE COST METHODOLOGIES**

***Q14. WHY DOES THE CALCULATION OF THE FUEL RIDER USING THE
LEAST COST METHOD PRODUCE A LOWER RATE FOR THE FUEL
RIDER THAN THE SYSTEM AVERAGE COST METHOD?***

A14. The least cost method produces a lower rate for the Fuel Rider, because it excludes the higher cost fuel and emission allowances used to generate wholesale market sales from DP&L-owned energy supply resources. However, as proposed, the system average method would include the higher fuel and emission costs associated with providing wholesale electric sales to the market. On average, the system average cost method will reduce DP&L's cost to generate electricity sold into the wholesale market, increasing DP&L's margins on wholesale sales at the expense of the retail customers.

***Q15. DO YOU HAVE ANY CONCERNS WITH THE METHODOLOGY DP&L
CURRENTLY USES TO CALCULATE THE EXISTING FUEL RIDER?***

A15. Yes.

***Q16. WHAT CONCERNS DO YOU HAVE WITH THE METHODOLOGY DP&L
CURRENTLY USES TO CALCULATE THE EXISTING FUEL RIDER?***

A16. As previously discussed, the existing Fuel Rider is calculated using a methodology which stacks DP&L's generation and purchased power costs from

lowest to highest, with the lowest cost supply needed to serve the retail customer load included in the fuel rate. However, this methodology has a flaw that should be corrected. The retail load for purposes of calculating the Fuel Rider includes both DP&L SSO customer load and DPLER customer load. However, since the Fuel Rider rate is only charged to SSO customers and since the rate does not impact DP&L sales to DPLER, the DPLER load should not be included in the determination of the Fuel Rider rate paid by SSO customers.

***Q17. WHY SHOULD THE DPLER LOAD BE EXCLUDED FROM THE
CALCULATION OF THE FUEL RIDER RATE AS YOU DESCRIBE
ABOVE?***

A17. The effective fuel rider rate is calculated by dividing the total costs allocated to retail customers by the retail load. Therefore the fuel rider rate should only include DP&L's retail sales. DP&L sales to DPLER are wholesale sales. (See DP&L response to OCC Interrogatory 378, Attachment GS-5). Accordingly, SSO customers should not have to pay for the fuel and emission costs associated with providing wholesale electric sales to DPLER.

VI. CONCLUSION

***Q18. PLEASE SUMMARIZE YOUR FINDINGS REGARDING THE
APPROPRIATE METHODOLOGY FOR CALCULATING DP&L'S FUEL
RIDER RATE PAID BY STANDARD SERVICE CUSTOMERS.***

A18. DP&L's proposed system average cost methodology for calculating the Fuel Rider is flawed and should be rejected by the Commission. Instead of providing customers with the least overall cost energy supply for DP&L customers, as DP&L states is the objective,⁹ the proposed system average cost method actually increases the Fuel Rider rate paid by its SSO customers. [REDACTED]

***Q19. WHAT IS YOUR RECOMMENDATION IN REGARD TO THE
METHODOLOGY THAT SHOULD BE APPROVED BY THE COMMISSION
TO CALCULATE THE FUEL RIDER RATE PAID BY STANDARD SERVICE
CUSTOMERS?***

A19. I recommend the Commission approve a modified version of the least cost methodology currently used to calculate the Fuel Rider rate. The lowest to highest cost stacking principles of the least cost methodology should be utilized to determine the effective rate of the fuel rider, but the load to be included in the

⁹ Second Revised Testimony of Teresa F. Marrinan at 3.

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1 calculation should only include the retail load from SSO customers. The DPLER
2 load should be excluded from any calculation of the Fuel Rider rate that SSO
3 customers pay. Including the load of DPLER customers into the calculation of the
4 Fuel Rider is inappropriate since DP&L sales to DPLER are wholesale sales.

5
6 ***Q20. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?***

7 ***A20.*** Yes. However, I reserve the right to address new issues and incorporate new
8 information that may subsequently become available through discovery or
9 otherwise.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Direct Testimony of Gregory Slone (Public Version)* was served on the persons listed below via electronic service this 1st day of March 2013.

/s/ Melissa R. Yost
Melissa R. Yost
Deputy Consumers' Counsel

SERVICE LIST

Thomas.mcnamee@puc.state.oh.us	cfaruki@ficlaw.com
Devin.parram@puc.state.oh.us	jsharkey@ficlaw.com
Judi.sobecki@dplinc.com	mwarnock@bricker.com
sam@mwncmh.com	tsiwo@bricker.com
fdarr@mwncmh.com	tony_long@ham.honda.com
mpritchard@mwncmh.com	asim_haque@ham.honda.com
joliker@mwncmh.com	haydenm@firstenergycorp.com
Amy.spiller@duke-energy.com	jiang@calfee.com
Jeanne.kingery@duke-energy.com	lmcbride@calfee.com
BMcMahon@emh-law.com	talexander@calfee.com
Elizabeth.watts@duke-energy.com	jejadwin@aep.com
Rocco.DAscenzo@duke-energy.com	gpoulos@enernoc.com
dboehm@BKLawfirm.com	ricks@ohanet.org
mkurtz@BKLawfirm.com	cmooney2@columbus.rr.com
jkyler@BKLawfirm.com	tobrien@bricker.com
myurick@taftlaw.com	vparisi@igsenergy.com
zkavitz@taftlaw.com	mswhite@igsenergy.com
whitt@whitt-sturtevant.com	Christopher.miller@icemiller.com
campbell@whitt-sturtevant.com	Gregory.dunn@icemiller.com
mhpetricoff@vorys.com	Chris.michael@icemiller.com
smhoward@vorys.com	trent@theoec.org
ssherman@kdlegal.com	cathy@theoec.org
jhague@kdlegal.com	joseph.clark@directenergy.com
Stephanie.Chmiel@ThompsonHine.com	dakutik@jonesday.com
Philip.Sineneng@ThompsonHine.com	aehaedt@jonesday.com
Michael.Dillard@ThompsonHine.com	ejacobs@ablelaw.org
matt@matthewcoxlaw.com	mjsatterwhite@aep.com
Bojko@carpenterlipps.com	stnourse@aep.com
Sechler@carpenterlipps.com	ssolberg@eimerstahl.com
bill.wells@wpafb.af.mil	stephen.bennett@exeloncorp.com
chris.thompson.2@tyndall.af.mil	Cynthia.Brady@Constellation.com
gmeyer@consultbai.com	mchristensen@columbuslaw.org
Bryce.mckenney@puc.state.oh.us	gregory.price@puc.state.oh.us

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of	:	Case No. 12-426-EL-SSO
The Dayton Power and Light Company for	:	
Approval of Its Electric Security Plan	:	
	:	
In the Matter of the Application of	:	Case No. 12-427-EL-ATA
The Dayton Power and Light Company for	:	
Approval of Revised Tariffs	:	
	:	
In the Matter of the Application of	:	Case No. 12-428-EL-AAM
The Dayton Power and Light Company for	:	
Approval of Certain Accounting Authority	:	
	:	
In the Matter of the Application of	:	Case No. 12-429-EL-WVR
The Dayton Power and Light Company for	:	
the Waiver of Certain Commission Rules	:	
	:	
In the Matter of the Application of	:	Case No. 12-672-EL-RDR
The Dayton Power and Light Company	:	
to Establish Tariff Riders	:	

**OBJECTIONS AND RESPONSES OF
THE DAYTON POWER AND LIGHT COMPANY TO
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
PROPOUNDED UPON THE DAYTON POWER AND LIGHT COMPANY
NINETEENTH SET (DATED DECEMBER 10, 2012)**

The Dayton Power and Light Company ("DP&L") objects and responds to The Office of the Ohio Consumers' Counsel's ("OCC") Interrogatories and Requests for Production of Documents, Nineteenth Set as follows.

GENERAL OBJECTIONS

1. DP&L objects to and declines to respond to each and every discovery request to the extent that it seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Ohio Admin. Code § 4901-1-16(B).

335. Referring to page 3 of Teresa Marrinan's testimony regarding DP&L's proposed Fuel Rider, it states the Fuel Rider will be based on a system average cost methodology:

A. Is this methodology a change from the Fuel Rider currently in effect?

RESPONSE: General Objections No. 7 (available on PUCO website). Subject to all general objections, DP&L states: Yes.

★ B. If the response to (A) is affirmative, how does the calculation of the proposed Fuel Rider differ from the calculation of the Fuel Rider currently in place?

RESPONSE: General Objections Nos. 2 (unduly burdensome), 6 (calls for narrative answer), and 7 (available on PUCO website). Subject to all general objections, DP&L states that the proposed fuel rider is based on a system average cost method as described in Witness Marrinan's testimony reflecting the total average costs of DP&L's energy supply system. The existing fuel rider is calculated by using retail customer load (including DP&L and DPL Energy Resource customers). In the existing fuel rider calculation, DP&L's generation and purchased power costs are stacked from lowest to highest cost, and the fuel and purchased power cost for the amount of supply needed to serve the retail customer load (inclusive of the load of DPL Energy Resources customers) is included in the fuel rate. For the existing fuel rider, DPL Energy Resources customer load is only used in the calculation of the rate. The rate is only charged to SSO customers and the rate does not impact DP&L wholesale sales to DPLER.

C. Are the fuel and purchased power costs associated with providing wholesale sales included in the proposed Fuel Rider?

RESPONSE: Subject to all general objections, DP&L states that purchased power costs associated with wholesale power sales are not included in the proposed fuel rider. The fuel and emissions allowance costs associated with DP&L-owned energy supply resources, which may be used to provide wholesale sales, are included in the system average cost method used under the proposed fuel rider.

WITNESS RESPONSIBLE: Aldyn Hoekstra.

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the Waiver of Certain Commission Rules	:	
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In the Matter of the Application of	:	Case No. 12-672-EL-RDR
The Dayton Power and Light Company	:	
to Establish Tariff Riders	:	

**SUPPLEMENTAL OBJECTIONS AND RESPONSES OF THE DAYTON POWER AND
LIGHT COMPANY TO THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
INTERROGATORIES PROPOUNDED UPON THE DAYTON POWER AND LIGHT
COMPANY - TWENTY-THIRD SET (DATED JANUARY 4, 2013)**

The Dayton Power and Light Company ("DP&L") objects and responds to The Office of the Ohio Consumers' Counsel's ("OCC") Interrogatories, Twenty-Third Set as follows.

GENERAL OBJECTIONS

1. DP&L objects to and declines to respond to each and every discovery request to the extent that it seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Ohio Admin. Code § 4901-1-16(B).

INT-377. Are the fuel and emissions allowance costs that were used to provide wholesale sales, associated with DP&L-owned energy supply resources, included in the existing fuel rider?

RESPONSE: Subject to all general objections, DP&L states: No. Please see also the response to INT-335(B) and the produced document "OCC 23 Fuel Rider Consolidated Response Summary" for further explanation.

WITNESS RESPONSIBLE: Aldyn Hoekstra.

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In the Matter of the Application of	:	Case No. 12-428-EL-AAM
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Approval of Certain Accounting Authority	:	
	:	
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the Waiver of Certain Commission Rules	:	
	:	
In the Matter of the Application of	:	Case No. 12-672-EL-RDR
The Dayton Power and Light Company	:	
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**OBJECTIONS AND RESPONSES OF
THE DAYTON POWER AND LIGHT COMPANY TO
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INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
PROPOUNDED UPON THE DAYTON POWER AND LIGHT COMPANY
NINETEENTH SET (DATED DECEMBER 10, 2012)**

The Dayton Power and Light Company ("DP&L") objects and responds to The Office of the Ohio Consumers' Counsel's ("OCC") Interrogatories and Requests for Production of Documents, Nineteenth Set as follows.

GENERAL OBJECTIONS

1. DP&L objects to and declines to respond to each and every discovery request to the extent that it seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Ohio Admin. Code § 4901-1-16(B).

336. Referring to page 3 of the Stipulation and Recommendation in the DP&L's Electric Security Plan in Case No. 08-1094-EL-SSO it states that DP&L will implement a bypassable fuel recovery rider to recover retail fuel and purchased power costs, based on least cost fuel and purchased power being allocated to retail customers (where retail customers include DP&L as well as DPL Energy Resource customers).

- ★ A. Did the process implemented to calculate the Fuel Rider in Case No. 08-1094-EL-SSO provide the least cost fuel and purchased power for retail customers?

RESPONSE: General Objections Nos. 1 (relevance) and 2 (unduly burdensome).

Subject to all general objections, DP&L states: Yes.

- B. If the answer to (A) is affirmative, would the continuation of the existing methodology of calculating the Fuel Rider provide the least cost fuel and purchased power for retail customers?

RESPONSE: General Objections Nos. 1 (relevance) and 2 (unduly burdensome).

Subject to all general objections, DP&L states that the existing and proposed fuel rider methods cannot be compared directly because the existing fuel rider does not contemplate the auctioning of a portion of DP&L's SSO load under a CBP and requires that DPL Energy Resources customers be included in the definition of retail customers. In contrast, the proposed method does not include the load of any DPL affiliate in the calculation of the fuel rate and does explicitly contemplate and facilitate the auctioning of increasing shares of the SSO load under the CBP.

- C. If the response to (B) is affirmative, what is the purpose of changing the methodology for calculating the Fuel Rider?

RESPONSE: General Objections Nos. 2 (unduly burdensome) and 6 (calls for narrative answer). Subject to all general objections, DP&L states: See pp. 5-6 of Witness Marrinan's testimony, which states as follows:

"The system average cost method is appropriate for several reasons. First, it improves operational efficiency because it is logical, simple and straightforward for DP&L to administer and for the Commission's staff and outside experts to understand and audit. The system average cost method also aligns incentives between DP&L and its customers by assigning the same system average cost for all DP&L customers. The system average cost method provides DP&L with clear incentives to manage its energy supply portfolio in order to achieve the least overall cost of energy supply for SSO customers under the proposed ESP. Finally, the system average cost method is consistent with the proposed blending of CBP prices into SSO rates under the proposed ESP, and can be applied consistently and simply throughout the entire term of the proposed ESP."

- D. If the response to (B) is negative, why would the continuation of the existing methodology of calculating the Fuel Rider not provide the least cost fuel and purchased power for retail customers?

RESPONSE: General Objections Nos. 2 (unduly burdensome) and 6 (calls for narrative answer). Subject to all general objections, DP&L states: Inapplicable.

- E. Are the fuel and purchased power costs associated with providing wholesale sales included in the Fuel Rider?

RESPONSE: Subject to all general objections, DP&L states that purchased power costs associated with wholesale power sales are not included in the proposed fuel rider. The fuel and emissions allowance costs associated with DP&L-owned energy supply resources, which may be used to provide wholesale sales, are included in the system average cost method used under the proposed fuel rider.

- F. If the response to (E) is negative, would the inclusion of the costs associated with providing wholesale sales have increased the cost of the Fuel Rider?

RESPONSE: General Objections Nos. 2 (unduly burdensome) and 6 (calls for narrative answer). Subject to all general objections, DP&L states: Inapplicable.

WITNESS RESPONSIBLE: Aldyn Hoekstra.

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of	:	Case No. 12-426-EL-SSO
The Dayton Power and Light Company for	:	
Approval of Its Electric Security Plan	:	
	:	
In the Matter of the Application of	:	Case No. 12-427-EL-ATA
The Dayton Power and Light Company for	:	
Approval of Revised Tariffs	:	
	:	
In the Matter of the Application of	:	Case No. 12-428-EL-AAM
The Dayton Power and Light Company for	:	
Approval of Certain Accounting Authority	:	
	:	
In the Matter of the Application of	:	Case No. 12-429-EL-WVR
The Dayton Power and Light Company for	:	
the Waiver of Certain Commission Rules	:	
	:	
In the Matter of the Application of	:	Case No. 12-672-EL-RDR
The Dayton Power and Light Company	:	
to Establish Tariff Riders	:	

**OBJECTIONS AND RESPONSES OF
THE DAYTON POWER AND LIGHT COMPANY TO
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
PROPOUNDED UPON THE DAYTON POWER AND LIGHT COMPANY
NINETEENTH SET (DATED DECEMBER 10, 2012)**

The Dayton Power and Light Company ("DP&L") objects and responds to The Office of the Ohio Consumers' Counsel's ("OCC") Interrogatories and Requests for Production of Documents, Nineteenth Set as follows.

GENERAL OBJECTIONS

1. DP&L objects to and declines to respond to each and every discovery request to the extent that it seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Ohio Admin. Code § 4901-1-16(B).

335. Referring to page 3 of Teresa Marrinan's testimony regarding DP&L's proposed Fuel Rider, it states the Fuel Rider will be based on a system average cost methodology:

A. Is this methodology a change from the Fuel Rider currently in effect?

RESPONSE: General Objections No. 7 (available on PUCO website). Subject to all general objections, DP&L states: Yes.

B. If the response to (A) is affirmative, how does the calculation of the proposed Fuel Rider differ from the calculation of the Fuel Rider currently in place?

RESPONSE: General Objections Nos. 2 (unduly burdensome), 6 (calls for narrative answer), and 7 (available on PUCO website). Subject to all general objections, DP&L states that the proposed fuel rider is based on a system average cost method as described in Witness Marrinan's testimony reflecting the total average costs of DP&L's energy supply system. The existing fuel rider is calculated by using retail customer load (including DP&L and DPL Energy Resource customers). In the existing fuel rider calculation, DP&L's generation and purchased power costs are stacked from lowest to highest cost, and the fuel and purchased power cost for the amount of supply needed to serve the retail customer load (inclusive of the load of DPL Energy Resources customers) is included in the fuel rate. For the existing fuel rider, DPL Energy Resources customer load is only used in the calculation of the rate. The rate is only charged to SSO customers and the rate does not impact DP&L wholesale sales to DPLER.

☆ C. Are the fuel and purchased power costs associated with providing wholesale sales included in the proposed Fuel Rider?

RESPONSE: Subject to all general objections, DP&L states that purchased power costs associated with wholesale power sales are not included in the proposed fuel rider. The fuel and emissions allowance costs associated with DP&L-owned energy supply resources, which may be used to provide wholesale sales, are included in the system average cost method used under the proposed fuel rider.

WITNESS RESPONSIBLE: Aldyn Hoekstra.

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of	:	Case No. 12-426-EL-SSO
The Dayton Power and Light Company for	:	
Approval of Its Electric Security Plan	:	
	:	
In the Matter of the Application of	:	Case No. 12-427-EL-ATA
The Dayton Power and Light Company for	:	
Approval of Revised Tariffs	:	
	:	
In the Matter of the Application of	:	Case No. 12-428-EL-AAM
The Dayton Power and Light Company for	:	
Approval of Certain Accounting Authority	:	
	:	
In the Matter of the Application of	:	Case No. 12-429-EL-WVR
The Dayton Power and Light Company for	:	
the Waiver of Certain Commission Rules	:	
	:	
In the Matter of the Application of	:	Case No. 12-672-EL-RDR
The Dayton Power and Light Company	:	
to Establish Tariff Riders	:	

**SUPPLEMENTAL OBJECTIONS AND RESPONSES OF THE DAYTON POWER AND
LIGHT COMPANY TO THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
INTERROGATORIES PROPOUNDED UPON THE DAYTON POWER AND LIGHT
COMPANY - TWENTY-THIRD SET (DATED JANUARY 4, 2013)**

The Dayton Power and Light Company ("DP&L") objects and responds to The Office of the Ohio Consumers' Counsel's ("OCC") Interrogatories, Twenty-Third Set as follows.

GENERAL OBJECTIONS

1. DP&L objects to and declines to respond to each and every discovery request to the extent that it seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Ohio Admin. Code § 4901-1-16(B).

INT-378. Are DP&L sales to DPL Energy Resources wholesale sales?

RESPONSE: General Objections Nos. 1 (relevance) and 4 (proprietary). Subject to all general objections, DP&L states that sales to DPL Energy Resources are classified as wholesale sales.

WITNESS RESPONSIBLE: Craig Jackson.

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Case No(s). 12-0426-EL-SSO, 12-0427-EL-ATA, 12-0428-EL-AAM, 12-0429-EL-WVR, 12-0672-EL-RDR

Summary: Testimony Direct Testimony of Gregory Slone (Public Version) on Behalf of the Office of the Ohio Consumers' Counsel electronically filed by Patti Mallarnee on behalf of Yost, Melissa Ms.